

Team,

I know how hard the past few weeks have been for all of us. Your continued dedication during this challenging time demonstrates why our team is the best in the business. Thank you from the bottom of my heart for all that you do.

As the situation around the coronavirus continues to evolve, I want to provide an update on how this is impacting our business and our team members around the world. Given government restrictions now in place in various countries, we have temporarily closed all of our resorts in the United Kingdom, Spain, Italy, France and Austria until at least mid-April.

In North America, we are continuously evaluating the various shelter in place orders and travel restrictions being implemented. We have seen demand from travelers decrease in recent weeks and have had to make the difficult decision to begin temporarily closing some of our resorts due to government restrictions or economic necessity. For example, we have or are closing: Beachwoods Resort in Kitty Hawk, North Carolina; Crescent Resort on South Beach, in Miami, Florida; The Historic Crags Lodge in Estes Park, Colorado; The Point at Poipu in Kauai, Hawaii; Fairway Forest Resort in Sapphire Valley, North Carolina; and all of our resorts in Palm Springs, California. On the Embarc side, we have temporarily shut Embarc Panorama and Embarc Ucluelet in British Columbia, Canada, and Embarc Sandestin in Florida.

We are doing our best to keep our business running while following government mandates and taking the necessary precautions to stop the spread of this virus and protect the health of our team members and guests. We have approved any corporate employee who can work from home to do so. For team members who aren't able to perform their duties remotely, we have taken steps to ensure they maintain a safe distance from each other.

For now, we are planning on keeping as many of our properties open for as long as possible because we provide a critical service and home to our guests. Our resorts remain a safe, comfortable space for travelers who may be displaced and we provide amenities such as multiple bedrooms, bathrooms as well as kitchens that are suited for social distancing. We will continue to abide by all state and federal laws.

While it pains me to say this, the global crisis we all face will, unfortunately, get worse at a minimum in North America before it gets better. We track and monitor the COVID-19 U.S. data that comes out daily. We've seen the news that many companies have had to institute furloughs. While we see any furloughs as an absolute last case scenario, Diamond Resorts has not been exempt from these difficult decisions.

In order to support our dedicated team during this challenging time, we are continuing to provide company-sponsored healthcare coverage to eligible U.S. team members who may be furloughed, and are working with our teams in Europe and the United Kingdom who may be furloughed to provide benefits aligned with their government plans. If circumstances change, you will be notified.

I know this is an unsettling and extraordinarily difficult time. Together, we have built this company from a \$200 million dollar start-up business to a \$1.3 billion dollar independently branded company, and I remain confident that our company is well-positioned to get through this downturn as well. It is my responsibility to make sure that our company is properly positioned through the downturn so that when this pandemic passes, we are ready to welcome our members and team members back home. I am committed to providing regular updates to you all. In the meantime, I wish you and your loved ones good health.

Thank you,

A handwritten signature in black ink, appearing to read "Mike Flaskey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Mike Flaskey  
CEO, Diamond Resorts